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20 September 1954

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: NIE 25-54: Probable Developments in Austria

BACKGROUND

1. This is the first full scope NIE produced on Austria. Earlier estimates dealt with the "Austrian Treaty" (NIE 21, 22 January 1951), and "Austrian Security Capabilities Following Withdrawal of Occupation Forces" (NIE 21/1, 11 December 1953). The conclusions of both earlier estimates remain generally valid.

2. The present estimate was scheduled as a regular part of the NIE program for third quarter production (IAC-R-1/B, item 3). Contributions were received on 9 August, and a draft was forwarded to the IAC representatives on 27 August.

SUBSTANCE

3. The progress of NIE 25-54 through the coordination machinery was very smooth. In the meeting with the IAC representatives discussion centered on (a) the outlook for the continuation of political democracy and stability in Austria after the occupation has been ended; (b) the capacity of Austrian forces to defend the country against the Communists; and (c) the grounds on which the NSR would relinquish its position in Austria. Agreement was quickly reached on these points and it is unlikely that any significant changes will be suggested at the IAC meeting.

4. The discussion in paragraph 3 requires that the estimate be classified Top Secret.

GERMAN KRAFT
Assistant Director
National Estimates

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